

Proposed changes in the regulations of the Department of Natural Resources

April 2006

The Department of Natural Resources proposes to adopt regulation changes in Title 11 of the Alaska Administrative Code, dealing with the criteria for a negotiated sale under AS 38.05.118. The current regulations [11 AAC 71.055] state that to allow a negotiated sale under AS 38.05.118, the timber volume available on a sustained yield basis must be greater or equal to 50% more than the recent harvest volume. The proposed amendment would decrease the requirement to 20%, to allow more of the timber sold by the state to be purchased by local operators.

AS 38.05.118 determines the conditions under which the Division of Forestry may negotiate timber sales greater than 500MBF to local manufacturers. The area near the business site has or will have within two years:

1. a high level of local unemployment,
2. an underutilized timber manufacturing capacity, and
3. an underutilized allowable cut of state timber, timber that will lose substantial economic value due to insects, disease, or fire, or timber to be cleared for the conversion of land to nonforest uses.

The regulations under 11 AAC 71.055 apply specific guidelines to AS 38.05.118.

Currently, “underutilized allowable cut of state timber” is defined as follows:

(3) an economically operable state timber resource exists in the area in which the timber is located and the state timber resource has the capacity to sustain a level of harvest on a sustained-yield basis which is at least 50 percent greater than the level of harvest of the state timber resource on the date of the sale [11 AAC 71.055(a)(3)].

In other words, the available timber volume must be greater than or equal to 50% more than the recent harvest in order to offer this type of negotiated sale. The proposed regulation change would decrease the required amount of available timber volume to be greater or equal to 20% more than the recent harvest.

If the Division of Forestry sold its timber sales in Southeast Alaska on the open market, most of the timber would go to the export market, rather than supporting local mills. The Division of Forestry is committed to selling timber to local mills, and AS 38.05.118 authorizes DNR to negotiate sales to local processors. The proposed change would expand opportunities to use this authority, particularly in Southern Southeast Alaska, where demand for local timber exceeds supply.

Some mills in Southeast Alaska have closed because of the lack of timber supply, and state timber has been an important part of the supply for the remaining local mills. Excess timber in Southern Southeast Alaska will soon fall below the 50% requirement.

Decreasing the percentage to 20% will allow the Division of Forestry to sell negotiated sales under AS 28.05.118 to local operators for a few more years while they develop their

ability to produce high-value added products that quality for negotiated sales under AS 38.05.123. The change will allow more state timber sales to go to local operators, rather than to the export market. Regardless of the type of timber sale, though, the amount of timber harvested will not exceed the allowable cut.

How to comment on the proposed changes

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to

Alison Arians, at:
DNR Division of Forestry
550 West 7th Avenue, Suite 1450
Anchorage, AK, 99501
Fax: (907) 269-8931
Email: alisona@dnr.state.ak.us

The comments must be received no later than **4:00pm on May 16, 2006.**

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Alison Arians at 269-8450 no later than May 1, 2006 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Alison Arians at the address above, or go to <http://www.dnr.state.ak.us/forestry/statutes.htm>.

After the public comment period ends, the Department of Natural Resources will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

Statutory Authority: AS 38.05.020, AS 38.05.035

Statutes Being Implemented, Interpreted, or Made Specific: AS 38.05.118

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: April 11, 2006

[signature on file]
Marty Welbourn Freeman
Forest Resources Program Manager

The Department of Natural Resources keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Department of Natural Resources' Notices of Proposed Regulation Changes. To be added to or removed from the list, send a request to the Department of Natural Resources' Commissioner's Office at 550 West 7th Avenue, Suite 1400, Anchorage, AK 99501, giving your name, and either your e-mail or mailing address, as you prefer for receiving notices.